

Good morning, my name is Marie Lenane and I am a Pricing Analyst for the Purchase of Service Administration at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendment to the regulation at 101 CMR 413.00: Payments for Youth Intermediate-Term Stabilization Services. The proposed amendments update rates for services purchased by the Department of Children and Families (DCF) and the Department of Mental Health (DMH) as Congregate Care Services (previously known as Caring Together services), and Add-on Services. These services provide a child, adolescent, or young adult temporary housing in a specialized residential or hospital setting to provide comprehensive services and promote stabilization and transition to a less-restrictive setting, a permanent family home, an independent living situation, or an adult program.

As background information, DMH and DCF worked together to separate the services formerly known as Caring Together into separate departmental procurements to be effective July 1, 2021. This process presented an opportunity to redesign the models/services and rates to align with the purchasing agencies specific intended service needs. The result is a total of 30 programmatic rates and 14 add-on rates, which are unique and specific. These are now known as congregate care services.

The amendments to the regulation at 101 CMR 413.00 are being proposed at this time in accordance with Massachusetts General Laws Chapter 118E, Section 13D, which requires the secretary of EOHHS to establish by regulation and biennially update the rates to be paid by governmental units for social service programs.

The effective date for the proposed amended regulation is July 1, 2021.

In accordance with this requirement, the rates for youth intermediate-term stabilization services, specific to the Congregate Care services, are being updated to include an increase by a cost adjustment factor (CAF) of 0.38%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2019 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (FY22 Quarter 4) and the prospective period (July 1, 2021, through June 30, 2023). As part of the workforce initiative, salaries for medical, nursing, clinical, and direct service and direct care staff positions have been benchmarked to the most recent Massachusetts Bureau of Labor Statistics (BLS) median wages for 2017/2018. Lastly, the administrative allocation has been benchmarked to 12%, and the tax and fringe rate has been benchmarked to 22.40%.

The total annualized cost to state government from the increase in rates amended by this regulation is approximately \$22.4 million, which represents an increase of 7.63% over FY20 spending of approximately \$293.4 million. This concludes my testimony. Thank you.